



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board

Approval Under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: Notice is hereby given of the final approval of a proposed information collection by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public).

Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

FOR FURTHER INFORMATION CONTACT:

Federal Reserve Board Acting Clearance Officer — John Schmidt — Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer — Shagufta Ahmed — Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503.

Final approval under OMB delegated authority of the extension for three years, with revision of the following report:

Report title: Capital Assessments and Stress Testing information collection.

Agency form number: FR Y-14A/Q/M.

OMB Control number: 7100-0341.

Effective Dates: September 30, 2014, December 31, 2014, and March 31, 2015.

Frequency: Annually, semi-annually, quarterly and monthly.

Reporters: Any top-tier U.S. bank holding company (BHC) that has \$50 billion or more in total consolidated assets, as determined based on:

(i) the average of the BHC's total consolidated assets in the four most recent quarters as reported quarterly on the BHC's Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) (OMB No. 7100-0128); or (ii) the average of the BHC's total consolidated assets in the most recent consecutive quarters as reported quarterly on the BHC's FR Y-9Cs, if the BHC has not filed an FR Y-9C for each of the most recent four quarters.

Reporting is required as of the first day of the quarter immediately following

the quarter in which it meets this asset threshold, unless otherwise directed by the Federal Reserve.

Estimated annual reporting hours: FR Y-14A: Summary, 67,848 hours;

Macro scenario, 2,046 hours; Operational Risk, 456 hours; Regulatory capital transitions, 759; and Regulatory capital instruments, 660 hours.

FR Y-14Q: Securities risk, 1,584 hours; Retail risk, 2,112 hours;

Pre-provision net revenue (PPNR), 93,852 hours; Wholesale corporate loans, 8,556 hours; Wholesale commercial real estate (CRE) loans, 8,280 hours;

Trading risk, 69,336 hours; Regulatory capital transitions, 3,036 hours;

Regulatory capital instruments, 5,280 hours; Operational risk, 6,600 hours;

Mortgage Servicing Rights (MSR) Valuation, 1,152 hours; Supplemental, 528 hours; and Retail Fair Value Option/Held for Sale (Retail FVO/HFS),

1,408 hours; Counterparty credit risk (CCR), 16,632 hours; and Balances,

2,112 hours; FR Y-14M: Retail 1st lien mortgage, 171,360 hours; Retail

home equity, 165,240 hours; and Retail credit card, 110,160 hours. FR Y-14

Implementation, 21,600 hours; and On-Going Automation for existing respondents, 14,400 hours.

Estimated average hours per response: FR Y-14A: Summary, 1,028 hours;

Macro scenario, 31 hours; Operational Risk, 12 hours; Regulatory capital transitions, 23; and Regulatory capital instruments, 20 hours. FR Y-14Q:

Securities risk, 12 hours; Retail risk, 16 hours; PPNR, 711 hours; Wholesale

corporate loans, 69 hours; Wholesale CRE loans, 69 hours; Trading risk, 1,926 hours; Regulatory capital transitions, 23 hours; Regulatory capital instruments, 40 hours; Operational risk, 34 hours; MSR Valuation, 24 hours; Supplemental, 4 hours; and Retail FVO/HFS, 16 hours; CCR, 441 hours; and Balances, 16 hours; FR Y-14M: Retail 1st lien mortgage, 510 hours; Retail home equity, 510 hours; and Retail credit card, 510 hours. FR Y-14 Implementation, 7,200 hours; and On-Going Automation for existing respondents, 480 hours.

Number of respondents: 33.

General description of report: The FRY-14 series of reports are authorized by section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which requires the Federal Reserve to ensure that certain bank holding companies (BHCs) and nonbank financial companies supervised by the Federal Reserve are subject to enhanced risk-based and leverage standards in order to mitigate risks to the financial stability of the United States (12 U.S.C. § 5365). Additionally, Section 5 of the BHC Act authorizes the Board to issue regulations and conduct information collections with regard to the supervision of BHCs (12 U.S.C. 1844).

As these data are collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of

Information Act (FOIA) (5 U.S.C. 552(b)(8)). In addition, commercial and financial information contained in these information collections may be exempt from disclosure under exemption 4 of FOIA (5 U.S.C. 552(b)(4)). Such exemptions would be made on a case-by-case basis.

Abstract: The data collected through the FR Y-14A/Q/M schedules provide the Federal Reserve with the additional information and perspective needed to help ensure that large BHCs have strong, firm-wide risk measurement and management processes supporting their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. The annual Comprehensive Capital Analysis and Review (CCAR) exercise is also complemented by other Federal Reserve supervisory efforts aimed at enhancing the continued viability of large BHCs, including continuous monitoring of BHCs' planning and management of liquidity and funding resources and regular assessments of credit, market and operational risks, and associated risk management practices. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions. In order to fully evaluate the data submissions, the Federal Reserve may conduct follow up discussions with or request responses to follow up questions from respondents, as needed.

The semi-annual FR Y-14A collects large BHCs' quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios and qualitative information on methodologies used to develop internal projections of capital across scenarios.¹ The quarterly FR Y-14Q collects granular data on BHCs' various asset classes and PPNR for the reporting period. The monthly FR Y-14M comprises three loan- and portfolio-level collections, and one detailed address matching collection to supplement two of the portfolio and loan-level collections. Both the FR Y-14Q and the FR Y-14M are used to support supervisory stress test models and for continuous monitoring efforts.

Current Actions: On October 1, 2014, the Federal Reserve published a final *Federal Register* notice (79 FR 59264) implementing several changes to the FR-14A/Q/M and extending the public comment period by 30 days regarding the agreement-level/asset category counterparty information. The comment period expired on October 31, 2014. The Federal Reserve received one comment. The comment is summarized and addressed below.

Summary of Comment

The Federal Reserve received one comment letter addressing the agreement-level/asset category counterparty information. The commenter requested clarification on several items, which will be provided through

¹ BHCs that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

updated instructions as appropriate. More substantively, the commenter stated that the information collection as originally proposed on July 15, 2014 (79 FR 41276) could be provided, but noted that the information collected by sub-schedules L.5 and L.6 would require a significant amount of resources. Specifically, the commenter requested that implementation of these sub-schedules be delayed to March 31, 2015.

As stated in the October 1, 2014, *Federal Register* publication, more detailed counterparty data would allow the Federal Reserve to assess the reasonableness of the BHC's model-based estimates used as key inputs to the supervisory stress test as well as ensure the comparability of results across BHCs. Therefore, the Federal Reserve will keep sub-schedules L.5 and L.6 as finalized October 1, 2014 for the September 30, 2014 and December 31, 2014 reporting periods, with two minor exceptions noted below. Furthermore, the Federal Reserve will implement FR Y-14Q Schedule L as originally proposed on July 15, 2014 effective March 31, 2015.

FR Y-14Q

Counterparty Schedule

As noted above, effective March 31, 2015, Schedule L (Counterparty) of the FR Y-14Q will be revised to collect information as originally proposed on July 15, 2014. Specifically, the schedule will require that tables

L.5.2 and L.6.2 be reported at a legal-entity, netting-agreement level.

Furthermore, table L.5.2 will include the asset sub-categories as originally proposed for L.5.2. Tables L.5.1 and L.6.1 will remain as finalized on October 1, 2014, and continue to require reporting at a legal-entity, netting-agreement level. However, the commenter specifically also noted that the items “CDS Hedge Stressed CR01” and “CSA Contractual Features” of table L.6.1 would be difficult to provide for the September 30, 2014, reporting period. The Federal Reserve appreciates the commenter’s concerns regarding these items and makes these items optional through the December 31, 2014, reporting period, after which they will be mandatory.

Board of Governors of the Federal Reserve System, December 10, 2014.

Robert deV. Frierson,
Secretary of the Board.

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